

DATE: April 20, 2012

TO: The Honorable, Terry E. Branstad, Governor of Iowa
The Honorable, David A. Vaudt, Auditor of State
General Assembly, c/o Legislative Services Agency

FROM: Brenda Loy, Chief Financial Officer

Attached are the financial statements for the quarter ended March 31, 2012. During the quarter, we had revenue of \$90,790,081. This sales level resulted in \$22,916,409 of proceeds payable to the State General Fund and \$995,774 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE QUARTER ENDED MARCH 31, 2012

	Quarter ended March 31, 2012	Year-to-date March 31, 2012
OPERATING REVENUES		
Instant-scratch ticket sales	\$52,582,378	\$141,258,680
Pick 3 sales	1,710,126	\$4,980,711
Powerball sales	16,946,462	\$43,554,265
Mega Millions sales	10,535,151	\$18,274,238
Hot Lotto sales	2,580,906	\$8,168,226
Pick 4 sales	712,894	\$2,087,943
\$100,000 Cash Game sales	1,115,769	\$3,170,289
Pull-tab sales	4,580,202	\$13,003,468
Application fees	1,300	\$3,100
Other revenue	24,893	\$171,781
Total operating revenues	90,790,081	234,672,701
OPERATING EXPENSES		
Scratch ticket prize expense	32,987,907	87,528,919
Pick 3 prize expense	1,012,127	2,948,076
Powerball prize expense	8,304,858	21,284,044
Mega Millions prize expense	5,347,665	9,270,195
Hot Lotto prize expense	1,260,318	3,979,901
Pick 4 prize expense	415,996	1,221,086
\$100,000 Cash Game prize expense	591,184	1,562,999
Pull-tab prize expense	2,871,953	8,142,347
VIP Club expense	487,499	1,419,643
Promotional prize expense	25,113	81,150
Advertising/publicity	1,846,725	5,049,528
Retailer compensation expense	5,786,323	14,953,820
Ticket expense	913,231	2,340,181
Vendor compensation expense	2,129,321	4,952,434
Salary and benefits	2,291,222	6,699,546
Travel	103,089	325,918
Supplies	32,483	114,580
Printing	2,471	12,938
Postage	2,425	5,199
Communications	28,723	93,192
Rentals	74,035	211,512
Utilities	29,684	78,342
Professional fees	39,073	93,682
Vending machine maintenance	134,403	403,488
Outside services and repairs	81,191	182,590
Data processing	13,967	37,735
Equipment	85,226	197,298
Reimbursement to other		
state agencies	106,779	312,378
Depreciation	48,965	117,411
Other	20,603	64,261
MUSL administrative expense	11,277	33,829
Total operating expenses	67,085,836	173,718,222
 Operating income (loss)	 23,704,245	 60,954,479

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FOR THE QUARTER ENDED MARCH 31, 2012

	<u>Quarter ended March 31, 2012</u>	<u>Year-to-date March 31, 2012</u>
Non-operating revenues (expenses)		
Proceeds deposited to:		
State General Fund	(22,916,409)	(58,240,950)
Veterans Trust Fund	(995,774)	(2,243,512)
Interest income	9,623	84,835
Interest expense	(9,852)	(29,556)
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Net non-operating revenues (expenses)	(23,912,412)	(60,429,183)
Change in net assets	(208,167)	525,296
Net assets, beginning of period	4,918,202	4,184,739
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Net assets, end of period	<u><u>\$4,710,035</u></u>	<u><u>\$4,710,035</u></u>